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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/625,017	07/25/2000	David LeVine	JMBDP002	7171

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EXAMINER

HAYES, JOHN W

ART UNIT PAPER NUMBER

3621

DATE MAILED: 11/13/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/625,017

Applicant(s)

LEVINE, DAVID

Examiner

John W Hayes

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 October 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-15 and 20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-15 and 20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☒ All b) ☐ Some * c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____. 6) ☐ Other: _____

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 06 October 2003 has been entered.

Status of Claims

2. Applicant has amended claims 1, 8-10, 14 and 20 in the amendment filed 8 September 2003. Claims 16-19 were previously canceled.. Thus, claims 1-15 and 20 remain pending and are again presented for examination.

Response to Arguments

3. Applicant's arguments with respect to claims 1-15 and 20 have been considered but are moot in view of the new ground(s) of rejection.

Priority

4. Receipt is acknowledged of papers submitted under 35 U.S.C. 119(a)-(d), which papers have been placed of record in the file.

Drawings

5. The corrected or substitute drawings were received on 06 May 2003. These drawings are approved by the examiner.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-14 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Logan et al, U.S. Patent No. 6,199,076 B1 in view of Daniele, EPO 649 074 A1, published April 1995.

As per **Claims 1-2, 4-6, 11, 13-14 and 20**, Logan et al disclose a business method for quantifying royalty owner rights, the method including a computerized system performing the substantially asynchronous transactional steps of:

- maintaining a registry of a plurality of users (Col. 6, lines 40-50; Col. 8, lines 12-24; Col. 9, lines 64-67; Col. 10, lines 17-20);
- providing materials including audio and visual contents and computer software to users by downloading via a distributed data-communications topology (Figure 1; Col. 5, lines 53-65; Col. 6, lines 1-12; Col. 8, lines 20-25; Col. 10, lines 19-29);
- maintaining a database of materials provided by the system to users of the plurality of users (Col. 5, lines 52-60; Col. 12, lines 57-67; Col. 18, lines 12-19; Col. 22, lines 40-60);
- using a substantially packet-based protocol over a distributed data communications topology, communicating with a user of the plurality of users (Col. 5, lines 30-60; Col. 7, lines 40-50);
- from the user, accepting a report of the users prior use of materials provided by the system (Col. 7, lines 14-40; Col. 9, lines 42-50; Col. 10, lines 20-37);

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- from data in the report, convoluting an updated metric of use into respective materials records in the database (Col. 7, lines 31-40; Col. 9, lines 5-10; Col. 11 line 63-Col. 12 line 3; Col. 13, lines 32-37; Col. 21, lines 27-60; Col. 27, lines 40-48); and

- from the database, computing a quantification or predetermined contractual-based apportioning of royalty owner rights for the reported use of the respective materials by the user or plurality of users (Col. 7, lines 31-40; Col. 13, lines 32-39; Col. 17, lines 1-5; Col. 18, lines 40-50; Col. 21, lines 27-60; Col. 28, lines 24-55).

More specifically, Logan discloses convoluting an updated metric from data in the report by indicating that a number of reports are uploaded by the host based upon the record of actual player use by individual subscribers and the community of subscribers as a whole and that this report processing is performed in connection with financial and accounting functions including subscriber and advertiser billing, royalty payment accounting and marketing analysis processing (Col 7, lines 31-40); receiving an uploaded usage log (from which subscriber and advertising charges and content provider payments can be determined)(Col. 11 line 63-Col. 12 line 3); and incrementing the usage log to reflect the number of times a program segment has been used or played and that these records are used to determine the advertiser fee due from advertisers, or royalty amount payable to the content provider (Col. 21, lines 27-60 and Col. 28, lines 40-53). Logan et al, however, fail to explicitly disclose wherein the report is a sample of the prior use and wherein the updated metric of use is statistically convoluted.

Daniele discloses a method to measure and accrue copyright royalties and teaches a well known method of determining royalty payments based upon a sampled survey of user's copier usage wherein a users pays a fixed per copy fee for estimated copyright copies (Figure 1; Col. 1 line 32-Col. 2 line 13). Daniele shows statistically convoluting an updated metric of use by analyzing the sample of use and quantifying royalties to authors and publishers based on the sample. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Logan et al and provide the ability to compute royalty payments based upon a statistical convolution of a sample of uses as taught by Daniele. Daniele provides motivation by indicating that determining royalty payments using sampling techniques is old and well known and that this method prevents organizations from the

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requirement to determine the royalty fee for each particular job such as a transaction based system (Col. 1 line 34-Col. 2 line 18).

As per **Claim 3**, Logan et al further disclose wherein the provided materials include a user-computer executable program for facilitating the user maintaining a report for subsequent reporting to the computer system (Col. 10, lines 19-35).

As per **Claim 7**, Logan et al further disclose wherein the communication with the user includes accepting a request for downloading a plurality of substantially new materials (Col. 5, lines 50-55; Col. 6, lines 7-13 and 40-67; Col. 7, lines 10-31).

As per **Claim 8**, Logan et al further disclose wherein accepting a report of the users prior use includes an accounting of use since a most recent prior accepting from the user of a report of the users prior use (Col. 7, lines 31-40; Col. 9, lines 43-50; Col. 12, lines 57-67; Col. 18, lines 12-18).

As per **Claim 9**, Logan et al discloses accepting reports of the users prior use of materials, however, fails to explicitly disclose accepting a report of the users prior use including an accounting of cumulative use, substantially since becoming a user. Logan et al does, however, disclose that subscriber billing is based on the accumulated amount of programming actually played by the subscriber. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to provide reports based on a users cumulative use of content for billing purposes as well as compensating content providers. One of ordinary skill in the art would recognize that any type of time period, intervals or cycles may be used such that it is convenient for the billing/accounting entity. Logan et al also disclose that detailed billing histories are constructed which would suggest that reports include a cumulative usage of content by the user.

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As per **Claim 10**, Logan et al further disclose accepting a report of the users prior use including an accounting of the users recent use during a predetermined period of time (Col. 7, lines 35-40).

As per **Claim 12**, Logan et al further disclose wherein convoluting includes correlating the updated metric with the respective user profile (Col. 6, lines 40-50; Col. 7, lines 32-40; Col. 9, lines 15-20; Col. 10, lines 20-44; Col. 11, lines 4-8; Col. 18, lines 20-40; Col. 20, lines 60-65; Col. 22, lines 40-48; Col. 28, lines 5-24).

8. Claim 15 is rejected under 35 U.S.C. 103(a) as being unpatentable over Logan et al, U.S. Patent No. 6,199,076 B1 and Daniele, EPO 649 074 A1, as applied above and further in view of Fleming, III, U.S. Patent No. 6,230,204 B1.

As per **Claim 15**, Logan et al and Daniele fail to explicitly disclose wherein apportioning is extrapolated to represent use by the entire plurality of users. Fleming discloses a method and system for estimating usage of computer resources and further teaches a method for estimating the total usage of computer system resources by all users with access to those resources. Fleming teaches that a monitoring program is loaded onto each of the computer systems used by selected users so that usage of various computer system resources by the selected users is recorded and then transferred to a central facility wherein an estimation/extrapolation of the total usage of the computer resources of interest by all the users is based upon usage of the representative sample users (Abstract; Figure 10). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Logan et al and include the ability to apportion the royalty owner rights based upon extrapolation as taught by Fleming. Fleming provides motivation by indicating that it is useful to extrapolate a total usage based upon usage of a sample of users since it may be difficult to accurately measure usage for every user (Col. 1, lines 28-45).

Conclusion

9. **Examiner's Note:** Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Gennusa, Chris R., "BMI Is Here to Stay", discloses that accounting firms typically determine royalties based upon annual samples of U.S. commercial radio-station broadcasts
- Barritz [5,499,340] discloses a method for computer program usage monitoring and teach a method for accumulating information regarding utilization of various products and versions, and to determine usage patterns by monitoring usage during sampling periods
- Sohraby et al disclose a resource usage measurement system and teach measuring during a sampling interval and these actual measurements are extrapolated to estimate the usage over the larger sampling interval
- Rossides discloses a system for estimating royalties due to a person based upon historical information

11. The prior art previously made of record and not relied upon is considered pertinent to applicant's disclosure.

- Archibald et al disclose a method that accounts for usage of digital applications and teach the use of a meter module to generate accounting information related to usage of content and routing this accounting information to a collection agency which credits the publishers

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- INDATA [WO 90/02382] discloses an information distribution system and charges the user only for selected information provided. Use fees are accumulated by the user only for information that has been received and the user transmits the accumulated use fees to a central accounting office so that payments can be made to the creators of the content
- Ginter et al disclose transmitting usage reports from the user to a billing entity/clearinghouse and handling of payments of royalties to the content creators
- Dillon discloses an electronic document distribution system including a deferred billing mechanism
- Reeder discloses a usage monitor for monitoring usage of software and communicating the usage information to a central billing station
- Kazmierczak et al disclose a system wherein data usage is metered locally and recorded as a stored data usage record and is later reported by modem to an operations center
- Coffey et al disclose a computer use meter and analyzer for measuring and reporting the use of a computer
- Wolfe et al disclose a system for delivering music and ads to subscribers, determines frequency of play/use and bills advertisers and provides royalties to content providers
- Taub et al disclose a system for downloading content to schools wherein the school's main computer tracks usage and occasionally reports the usage for payments of royalty.

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12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

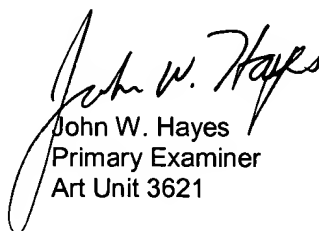
***Commissioner of Patents and Trademarks
Washington D.C. 20231***

or faxed to:

(703) 872-9306 [Official communications; including
After Final communications labeled
"Box AF"]

(703) 746-5531 [Informal/Draft communications, labeled
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington,
VA, 7th floor receptionist.


John W. Hayes
Primary Examiner
Art Unit 3621

November 10, 2003